

INDUSTRY OVERVIEW

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DEVELOPMENT OF OUTDOOR SPORTS AND OVERVIEW OF GLOBAL PROFESSIONAL OUTDOOR INDUSTRY

The Evolution and Development of Outdoor Sports

Outdoor sports mainly refer to sports that rely on natural or outdoor environments, and generally include skiing, ice skating, paddle-boarding, boating, diving, cycling, mountain cross-country, rock climbing, canyoneering, and rafting. The development of outdoor sports has spanned several centuries, evolving from early exploration activities to popular sports today. From the 16th to the 19th century, Europeans began to venture into high-altitude exploration and established the world’s earliest outdoor sports clubs, with mountaineering and hiking as the main activities. This marked the initial formation of modern outdoor sports. In the 1990s, outdoor sports entered a period of maturity and innovation, driving the industry’s large-scale development. Since the 21st century, technological progress has become a key driving force in the development of outdoor sports. The widespread application of high-performance materials, smart wearable devices, and digital service platforms has enhanced product quality and user experience, further promoting the popularization and industrial development of outdoor sports. Meanwhile, with the growing desire of people for health and vibrant outdoor activities, urban outdoor scenarios such as leisure sports, outings, and glamping have also flourished, further promoting the development of outdoor sports industry.

Market Overview

According to statistics from the General Administration of Sport of China, by the end of 2024, the number of people participating in outdoor sports in China had exceeded 400 million, with a participation rate of nearly 30%. In contrast, the participation rate in outdoor sports in developed countries exceeds 50%, indicating that China’s professional outdoor industry still has considerable room for growth. The market size of global professional outdoor industry, which include apparel and equipment, increased from RMB778.2 billion in 2020 to RMB1,288.3 billion in 2025 with a CAGR of 10.6%. In 2030, it is expected to reach RMB2,129.1 billion with a CAGR of 10.6%. While China’s professional outdoor industry increased from RMB120.9 billion to RMB237.1 billion from 2020 to 2025, and is about to reach RMB468.4 billion by 2030, with CAGR of 14.4% and 14.6% respectively.

OVERVIEW OF CHINA’S PROFESSIONAL OUTDOOR APPAREL INDUSTRY

Market Overview

Professional outdoor apparel is a category of clothing designed to offer specialized protection for consumers during outdoor activities, with its market size accounting for approximately 5% of the overall China’s apparel industry in 2025. These clothes are characterized by high performance in mechanical properties and unique functional fabric materials, which endow them with features such as wear resistance, water resistance, wind proofness, and easy decontamination. From 2020 to 2025, the market size of China’s professional outdoor apparel industry raised from RMB71.2 billion to RMB152.3 billion, with a CAGR of 16.4%, which surpassed that of the global market. It is expected to reach RMB326.4 billion in 2030, with a CAGR of 16.5% in the next five years.

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Value Chain

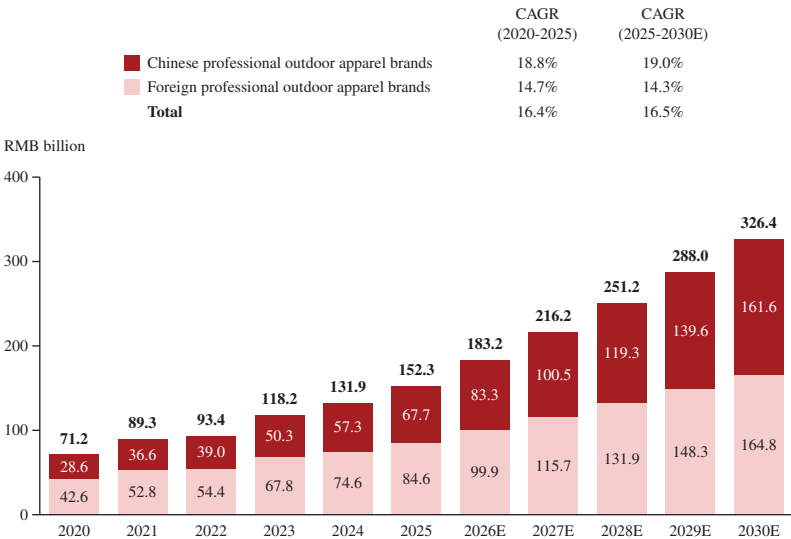
The value chain of professional outdoor apparel industry consists of raw materials purchase and production in the upstream, brand operation in the midstream, and retail in the downstream. The upstream of the industry value chain mainly includes the procurement of raw materials such as fabrics, lining, and padding, as well as manufacturing processes like design, pattern making, cutting, sewing, and sealing. The quality and performance of raw materials directly affect the functionality and durability of professional outdoor apparel, while the manufacturing processes need to combine high-performance fabrics with specialized production techniques to ensure that the garments possess multiple functions such as wind proofing, waterproofing, breathability, and warmth retention. The midstream of the industry value chain mainly refers to brand operations, which require brand owners to enhance brand awareness and market competitiveness through precise market positioning, differentiated product strategies, innovative marketing methods, and in-depth interaction with consumers. The downstream of the industry value chain mainly refers to product sales, where brand owners sell products to consumers through online and offline channels.

Market Size

China’s professional outdoor apparel industry is one of the fastest growing categories in China’s apparel industry. From 2020 to 2025, the market size of China’s professional outdoor apparel industry increased from RMB71.2 billion to RMB152.3 billion with a CAGR of 16.4%, higher than that of apparel industry, which is less than 5%. The market size is expected to grow with a CAGR of 16.5% in the next 5 years, reaching RMB326.4 billion by 2030.

In recent years, with the rise of the domestic market and the increasing pursuit for high-quality and cost-effective products by consumers, Chinese professional outdoor apparel brands are gradually replacing overseas brands through technological innovation, product differentiation, and precise market positioning. They are expected to capture a larger market share in the future. From 2020 to 2025, the retail sales value from Chinese professional outdoor apparel brands in China grew from RMB28.6 billion to RMB67.7 billion, with a CAGR of 18.8%. It is projected that over the next five years, the retail sales value from Chinese professional outdoor apparel brands in China will grow rapidly at a CAGR of 19.0%, reaching RMB161.6 billion by 2030.

**Market size of China’s professional outdoor apparel industry¹,
by brand origin, in terms of retail sales value, 2020-2030E**



Source: the National Bureau of Statistics of China, the General Administration of Sport of China, China National Textile and Apparel Council, CIC

Notes:

- (1) The market size refers to the retail sales value of professional outdoor apparel only. The professional outdoor apparel is a category of clothing with functional fabrics designed to offer specialized protection for consumers during outdoor activities.

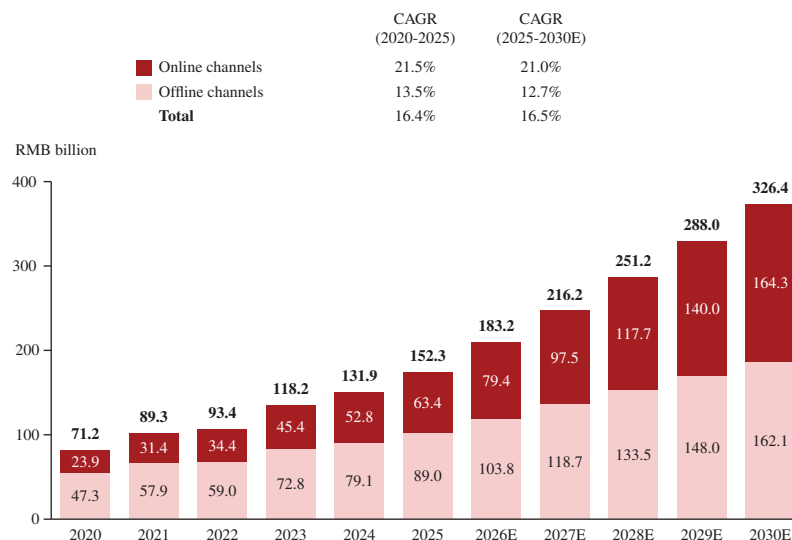
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With the rapid development of mobile internet and the changing shopping habits of consumers, online channels have become an important growth engine for professional outdoor apparel industry. From 2020 to 2025, the online retail sales value of professional outdoor apparel in China increased from RMB23.9 billion to RMB63.4 billion, with a CAGR of 21.5%.

Online channels mainly include comprehensive e-commerce platforms, content-based e-commerce platforms, and others. Comprehensive e-commerce platforms such as Tmall and JD.com attract a large number of consumers for product search and purchase with their rich product variety and convenient shopping experience. Social commerce platforms such as Douyin provide consumers with more interactive and interesting shopping experiences through live-streaming, short-videos, and influencer recommendations, which helps to quickly enhance brand awareness and establish consumer trust.

Despite the rapid growth of online channels, offline channels remain an important place for product display and enhancing consumer shopping experience. Through optimizing layout and improving service quality, offline stores provide consumers with a more intuitive product experience and professional service support.

Market size of China’s professional outdoor apparel industry, by sales channel, in terms of retail sales value, 2020-2030E



Source: the National Bureau of Statistics of China, the General Administration of Sport of China, China National Textile and Apparel Council, CIC

Based on the provincial market-size analysis, demand in the Company’s target provinces (“**Target Provinces**”) is both sizeable and expanding, providing a sufficient and sustainable foundation for future offline network growth. The collective market size of the Target Provinces represents over 90% of China’s professional outdoor apparel market. For the details of the Company’s expansion plan in these target provinces, see “Future Plans and Use of Proceeds.” As shown in the table below, each of the 26 Target Provinces is expected to experience double-digit growth over the forecast period, with CAGRs ranging from approximately 12.7% to 19.8%, demonstrating a broad-based demand growth. This robust expansion is underpinned by two structural demand drivers: rising consumer participation in outdoor activities across a broadening range of use cases, and an increasing consumer preference for professional-grade, functional outdoor apparel over general-purpose sportswear.

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Market size of China’s professional outdoor apparel industry, by city tier, in terms of retail sales value, 2025 and 2030E

City tier	Market Size in 2025	Market Size in 2030E	2025–2030E CAGR
	(RMB in billions)	(RMB in billions)	
First tier and new first tier cities	43.6	86.6	14.7%
Second tier and new second tier cities . . .	28.5	59.2	15.8%
Third tier cities and others	80.2	180.6	17.6%

Source: the National Bureau of Statistics of China, CIC

Market size of China’s professional outdoor apparel industry, by Target Province, in terms of retail sales value, 2025 and 2030E

Target Province	Market Size in 2025	Market Size in 2030E	2025–2030E CAGR
	(RMB in billions)	(RMB in billions)	
Jiangsu Province	11.9	28.0	18.7%
Shandong Province	11.4	21.8	13.8%
Hebei Province	8.4	18.4	17.0%
Heilongjiang Province	3.1	5.8	13.2%
Liaoning Province	4.5	8.5	13.5%
Anhui Province	6.8	15.1	17.4%
Henan Province	10.5	22.2	16.1%
Zhejiang Province	11.1	27.5	19.8%
Beijing Municipality	3.2	6.1	14.3%
Hubei Province	6.1	13.4	17.1%
Hunan Province	6.8	13.7	15.1%
Shanxi Province	3.5	7.1	14.8%
Shaanxi Province	3.8	7.7	15.2%
Jilin Province	2.3	4.2	12.7%
Sichuan Province	8.3	16.7	15.1%
Guangdong Province	12.3	28.1	17.9%
Shanghai Municipality	3.4	6.8	14.7%
Yunnan Province	3.6	7.6	16.2%
Inner Mongolia Autonomous Region	3.2	6.7	15.7%
Gansu Province	2.4	4.8	15.2%
Jiangxi Province	3.9	8.2	16.2%
Guizhou Province	3.2	6.8	16.3%
Chongqing Municipality	3.7	7.2	14.1%
Tianjin Municipality	1.8	3.3	13.0%
Ningxia Hui Autonomous Region	0.7	1.4	14.2%
Hainan Province	0.6	1.5	18.7%

Source: the National Bureau of Statistics of China, CIC

According to CIC, the competitive landscape across the Target Provinces remains highly fragmented, with no single brand holding a dominant market share. See “– Competitive Landscape” for details. Such fragmentation, set against a backdrop of strong and sustained demand growth, indicates that the market has ample capacity to absorb new entrants and the expansion of existing participants without triggering excessive competitive pressure. In particular, as professional outdoor apparel is a category where consumers value functional design, technical fabric

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performance, and in-store fitting experiences, competition tends to favor brands with genuine technical expertise and established offline retail presence over undifferentiated, price-driven competitors. This market structure provides a favorable environment for a well-positioned brand to gain share through quality and channel expansion rather than price competition alone.

The Company’s core competitive strengths are closely aligned with these market characteristics and consumer preferences. Professional outdoor apparel consumers prioritize functional design and technical fabric performance, and the Company’s proprietary material technologies and proven product development capabilities enable it to deliver a continuously evolving portfolio that meets these demands. The strong consumer preference for offline fitting and tactile in-store experiences creates a natural advantage for the Company’s established and expanding multi-channel retail network, which integrates both offline and online touchpoints. Additionally, the Company’s integrated supply chain supports operational efficiency and responsiveness at scale, which are necessary to execute a disciplined, province-by-province expansion. These strengths, taken together, position the Company to capture a meaningful and growing share of the substantial incremental demand identified across its targeted provinces.

Market Drivers

- *The rise of outdoor and ice & snow economies driving more consumer participating in healthy lifestyles and outdoor activities:* As the outdoor economy thrives, sports like skiing, hiking, and mountaineering are attracting more consumers, boosting demand for professional outdoor apparel. The successful hosting of the Beijing Winter Olympics further accelerated the rise of winter sports in China, with activities such as skiing and curling seeing a sharp increase in public participation. This has led to significant growth in retail sales of products like ski down jackets, warmth-retention hardshell jackets, and non-slip footwear.
- *Increasing demand for high-quality professional outdoor apparel with affordable price:* As the rising of living standards and the development of outdoor sports industry, consumers demand quality professional outdoor apparel, particularly favoring products with high-quality fabrics, more advanced manufacturing techniques, stronger protective performances, and better wearing experiences. At the same time, consumers are seeking to purchase these products at more affordable prices. Leading professional outdoor apparel brands, leveraging long-term research and development strengths, are optimizing supply chain management efficiency to reduce production costs. It allows them to offer high-quality professional outdoor apparel at more attractive prices, driving the market towards quality development.
- *Scenario-based design and segmentation for functional apparel:* With consumers increasingly participating in outdoor activities and outdoor scenarios broadening, expanding to include urban outdoor scenarios and ski scenarios, consumers’ expectations for functionality and adaptability towards outdoor apparel have grown significantly. Professional outdoor apparel brands are segmenting products by activity type and developing designs to meet diverse consumer needs and drive sustained growth of the industry.
- *Fabrics & linings innovations fuelling apparel performance:* Since the raw material side lays the foundation of product quality from the source, innovations in functional fabrics and linings, are one of the core driving forces of the professional outdoor apparel industry, especially mid-to-high-end professional outdoor apparel industry. For example, innovations in high-performance warmth-retention materials with low thermal conductivity, such as graphene and composite warmth-retention linings, coupled with the advent of fabric functions such as temperature control and self-cleaning, also bring a huge leap to the long-lasting warmth performance of professional outdoor apparel.
- *Advancements in production technology:* Beyond material innovations, advancements in production techniques have also improved the quality and functionality of professional outdoor apparel. Leveraging advancements in multiple technologies, professional outdoor apparel has achieved a range of technological innovations for various scenarios, including the technology for continuously balancing body temperature and humidity, the protective technology for extreme outdoor environments, and the eco-friendly technology of

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biodegradable and recyclable materials. These innovations not only improve product performance and quality but also help lower production costs, making high-quality professional outdoor apparel accessible to a wider range of consumers.

- *Policy support:* China have continued to introduce policies to support the high-quality development of the industry. In recent years, the government has issues various policies and opinions to support the sport industry, such as the *Opinions on Unleashing the Potential of Sports Consumption and Further Promotion the High-Quality Development of the Sports Industry*, and the *Several Opinions on Stimulating the Vitality of Ice and Snow Economy through High-quality Development of Ice and Snow Sports*, proposing measures to expand product supply, stimulate consumer demand, unleash consuming potential and assist companies’ business operation. In the meanwhile, policies required that by 2030, the total scale of the ice and snow economy will reach RMB1.5 trillion, and the total scale of the sports industry will reach RMB7 trillion. China’s professional outdoor apparel industry will enter a stage of high-quality development under strong support from national policies.

Future Trends

- *Digitization:* China’s professional outdoor apparel industry is accelerating toward digitalization and technological progress. The integration of big data, artificial intelligence, and the Internet of Things (IoT) allows brands to gain deeper consumer insights and develop products with more precise functions and styles. The convergence of digitalization and technological innovation not only improves product performance and user experience but also helps reduce costs and improve operational efficiency, steering the industry toward a more intelligent, high-efficiency development stage.
- *Frontier and trendy design:* Consumers’ demand is no longer limited to functionality, and there is growing attention to high appearance design and trendy elements. Brands are increasing investment in product design, launching product series that combine functionality with aesthetics. Meanwhile, brands collaborate with well-known designers and trendy IPs to create limited edition co-branded products, further enhancing product fashion and topicality, making outdoor apparel a part of fashion trends, and meeting consumers’ pursuit of personalization.
- *Sustainable development:* As environmental awareness grows, brands are adopting organic cotton, recycled fibres, and biodegradable materials to reduce the impact on the environment. Manufacturers are also streamlining processes to cut energy use and emissions. By promoting the concept of sustainable development, brands guide consumers to establish environmental awareness, forming a virtuous cycle. Sustainable development not only helps enterprises enhance their brand image and sense of social responsibility, but also lays the foundation for the long-term and stable development of the industry, driving the transformation of China’s professional outdoor apparel industry towards a green and low-carbon direction.
- *Globalization and overseas expansion:* With strong manufacturing capabilities and rising brand competitiveness, Chinese players are actively entering international markets. Brands are boosting global presence through international outdoor exhibitions and overseas e-commerce platforms. In addition, strategies such as cross-border mergers and acquisitions, as well as partnerships help integrate global resources and enhance international operation ability.

Challenges of China’s Professional Outdoor Apparel Industry

- *Intensifying market competition:* China’s professional outdoor apparel industry is facing intense competition, with both domestic and international brands owning their respective strengths. International brands maintain strong consumer mindshare through high brand awareness, while domestic brands are steadily replacing international brands by offering promising products at competitive prices. As market competition becomes increasingly fierce,

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the competition among brands has extended from product functionality and pricing to brand marketing and services. In the future, brands will need to continuously enhance their core competitiveness through technological innovation, brand building, and market expansion to cope with the increasingly fierce market competition.

COMPETITIVE LANDSCAPE

China’s professional outdoor apparel industry is fragmented. The top ten brands only account for 27.2% of the market share in terms of retail sales value (retail sales value refers to the sales value at end price to consumers before discounts are applied, including distributor and retailer markups and sales tax; retail sales value equals online retail sales value plus offline retail sales value) in 2025. In terms of retail sales value in 2025, Tanboer ranked the 7th place in the China’s professional outdoor apparel industry with a market share of 2.2%, and **ranked the 4th place among Chinese brands in China’s professional outdoor apparel industry**. Tanboer is the fastest growing brand among the top ten brands in China’s professional outdoor apparel industry for retail sales value from 2024 to 2025, with growth rate of 65.8%.

Top ten brands in China’s professional outdoor apparel industry, by retail sales value, 2025

Rank	Brand name	Brand origin	Retail sales value in 2025	Market share in 2025	Growth of retail sales value from 2024 to 2025
			(RMB in billions)	(%)	(%)
1.	Brand A ¹	China	6.30	4.14%	21.86%
2.	Brand B ²	Canada	5.98	3.92%	44.00%
3.	Brand C ³	Japan	5.00	3.28%	37.80%
4.	Brand D ⁴	China	4.54	2.98%	23.30%
5.	Brand E ⁵	China	4.24	2.78%	8.28%
6.	Brand F ⁶	the US	4.14	2.72%	7.80%
7.	Tanboer	China	3.37	2.21%	65.82%
8.	Brand G ⁷	China	2.87	1.88%	62.32%
9.	Brand H ⁸	South Korea	2.79	1.83%	52.00%
10.	Brand I ⁹	Canada	2.28	1.50%	13.91%

Source: Annual reports, Expert interviews, CIC

Notes:

The ranking is based on the retail sales value of professional outdoor apparel only. The professional outdoor apparel is a category of clothing with functional fabrics designed to offer specialized protection for consumers during outdoor activities.

- (1) Brand A is a professional outdoor apparel and equipment brand established in 2005 in China, operated by a non-listed company established in 2005 in Guangdong Province, China.
- (2) Brand B is a professional outdoor apparel and equipment brand established in 1989 in Canada, operated by a subsidiary of a listed company established in 1991 in Fujian Province, China.
- (3) Brand C is a professional outdoor apparel and equipment brand established in 1935 in Japan, operated by a joint-venture partly owned by a listed company established in 1991 in Fujian Province, China.
- (4) Brand D is a professional outdoor apparel and equipment brand established in 2003 in China, operated by a non-listed company established in 2017 in Guangdong Province, China.
- (5) Brand E is an apparel brand established in 1992 in China, operated by a listed company established in 1992 in Jiangsu Province, China.
- (6) Brand F is a professional outdoor apparel and equipment brand established in 1966 in the US, operated by a listed company established in 1899 in the US.

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- (7) Brand G is a professional outdoor apparel brand established in 2012 in China, operated by a non-listed company established in 2015 in Anhui Province, China.
- (8) Brand H is a professional outdoor apparel brand established in 1973 in South Korea, operated by a joint-venture partly owned by a listed company established in 1991 in Fujian Province, China. The Fujian company mentioned here is the same company mentioned in the descriptions of Brand B and Brand C.
- (9) Brand I is a professional outdoor apparel brand established in 1957 in Canada, operated by a listed company established in 2000 in Canada.

In terms of online retail sales value (online retail sales value refers to the online sales value at end price to consumers before discounts are applied, including distributor and retailer mark-ups and sales tax) in 2025, Tanboer ranked the 4th place in the China’s online professional outdoor apparel industry, and ranked the 3rd place among Chinese brands in China’s online professional outdoor apparel industry. **Tanboer is the fastest growing brand among the top ten brands in China’s professional outdoor apparel industry for online retail sales value from 2024 to 2025, with the growth rate of 75.6%.**

Top ten brands in China’s professional outdoor apparel industry, by online retail sales value, 2025

Rank	Brand name	Brand origin	Retail sales value in 2025	Market share in 2025	Growth of retail sales value from 2024 to 2025
			(RMB in billions)	(%)	(%)
1. . . .	Brand A	China	5.20	8.20%	22.49%
2. . . .	Brand F	the US	2.53	3.99%	9.60%
3. . . .	Brand D	China	2.27	3.58%	33.45%
4. . . .	Tanboer	China	1.93	3.05%	75.61%
5. . . .	Brand G	China	1.92	3.03%	41.89%
6. . . .	Brand B	Canada	1.61	2.55%	55.52%
7. . . .	Brand C	Japan	1.60	2.53%	46.99%
8. . . .	Brand E	China	1.46	2.31%	0.18%
9. . . .	Brand J ¹⁰	China	1.33	2.10%	-6.82%
10. . . .	Brand H	South Korea	0.68	1.08%	69.50%

Source: Annual reports, Expert interviews, CIC

Notes:

The ranking is based on the online retail sales value of professional outdoor apparel only. The professional outdoor apparel is a category of clothing with functional fabrics designed to offer specialized protection for consumers during outdoor activities.

- (10) Brand J is an apparel brand established in 1972 in China, operated by a non-listed company established in 2000 in Jiangsu Province, China.

Each professional outdoor apparel brand may divide its products into different series based on positioning and wearing scenarios. The competitive landscape within these subcategories, much like the overall market, is also highly fragmented.

Professional outdoor apparel made with higher-quality fabrics offer not only promising functionality but also enhanced comfort and durability, improving the overall wearing experience. As listed below, compared with polyester, polyamide (nylon) provides advanced moisture absorption and breathability, anti-static property, wear resistance, and low-temperature toughness. While many Chinese professional outdoor apparel brands still rely on lower-cost but lower-performing polyester fabrics, Tanboer uses polyamide in over 90% of its professional outdoor apparel products, aligning with international brands such as The North Face, Canada Goose, and Moncler.

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- *Moisture absorption and breathability:* Fabrics with good moisture absorption and breathability can quickly absorb sweat, effectively reducing the sultry and bad smell after sweating. The moisture rebate rate of polyamide reaches 4%-4.5%, higher than that of the normal polyester (0.4%), which is prone to sweating and sticky skin due to poor breathability.
- *Soft, skin-friendly, and anti-static property:* Polyamide fibre has a fine and soft texture, significantly decreasing static electricity by naturally absorbing moisture, creating a soft, smooth feeling and reducing dust attachment; normal polyester tends to attract static, lower the skin-friendliness.
- *Wear resistance:* With a wear resistance of about 10 times that of cotton and 4-5 times that of normal polyester, polyamide is not easy to pill and break, making it suitable for outdoor wearing, while normal polyester has poor friction and pill resistance then easy to wear out.
- *Low-temperature toughness:* Due to the differences in molecular structure and crystallization properties, the glass transition temperature (Tg) of polyamide is 35-50°C, which is far lower than the 70-81°C of normal polyester. Therefore, polyamide is easier to maintain high elasticity and anti-brittle properties at low temperatures, giving better cold resistance.
- *High premium value:* Professional outdoor apparel using polyamide fabric generally have significant value premium. The price of polyamide silk is about 2-2.5 times higher than normal polyester, but with the high performance of moisture absorption, wear resistance, skin friendliness, and low temperature toughness, the value premium of professional outdoor apparel using polyamide fabric is generally higher than that of normal polyester fabric.

Comparison of properties for polyamide and polyester

Property	Polyamide (Nylon)	Polyester (Terylene)
Moisture absorption & breathability (moisture regain)	4%-4.5%	0.4%-0.8%
Soft & skin-friendly and anti-static property.	High	Average
Wear resistance.	High (4-5 times as polyester)	Average
Low-temperature toughness (glass transition temperature Tg)	35°C-50°C	70°C-81°C
Premium value	High (2-2.5 times the price of polyester)	Low

Source: China National Textile and Apparel Council, CIC

In addition to the proportion of nylon fabric products, the physical and chemical properties standard of Tanboer's products, such as filling power, turbidity, oxygen consumption, and down leakage value, are significantly better than relevant national standards (GB/T 14272-2021, GB/T 32614-2023) and the industry average level.

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Comparison of physical and chemical property standards of fabric and filling

Property	Tanboer's standards	Relevant national standards (GB/T 14272-2021, GB/T 32614-2023)	Industry average
Proportion of nylon fabric apparel products	>90 %	–	Most brands use polyester fabric
Color fastness to soaping (level)	Color Change ≥ 4	Color Change $\geq 3-4$	Color Change ≥ 4
Color fastness to dry rubbing (level)	Staining ≥ 4	Staining $\geq 3-4$	Staining $\geq 3-4$
Color fastness to wet rubbing (level)	≥ 4	$\geq 3-4$	$\geq 3-4$
Color fastness to transfer in joints (level)	$\geq 3-4$	≥ 3	≥ 3
Color fastness to transfer in hand wash (level)	$\geq 4-5$	≥ 4	≥ 4
Color fastness to dye transfer (level)	$\geq 4-5$	–	≥ 4
Abrasion resistance (times)	Abrade $\geq 20,000$ times, no front damage, assess whitening degree	Abrade $\geq 10,000$ times (upper garment), $\geq 15,000$ times (lower garment), no front damage	–
Apparel cold resistance	-30°C for 24 hours, fold 10 times without any abnormal appearance	–	-20°C without abnormal appearance
Down cluster content	$\geq 90\%$	$\geq 50\%$	–
Down and feather fiber content	$\leq 9\%$	$\leq 10\%$	$\leq 10\%$
Extra-color down content (white down)	≤ 0	$\leq 1\%$	$\leq 0.05\%$ to 0.2%
Land fowl feather content	$\leq 0.1\%$	$\leq 1\%$	$\leq 0.5\%$
Down oxygen consumption (mg/100g)	≤ 3.2	≤ 5.6	≤ 5.6
Down moisture rate	$\leq 10\%$	–	$\leq 12\%$
Down turbidity (mm)	$\geq 1,000$	≥ 500	$\geq 600-800$
Down filling power	17cm (90% duck down)	16cm	16.5cm
Down leakage value (number/m ²)	≤ 70	≤ 120	–

Source: China National Textile and Apparel Council, the State Administration for Market Regulation, the Standardization Administration of the People's Republic of China, CIC

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Entry Barriers and Key Success Factors

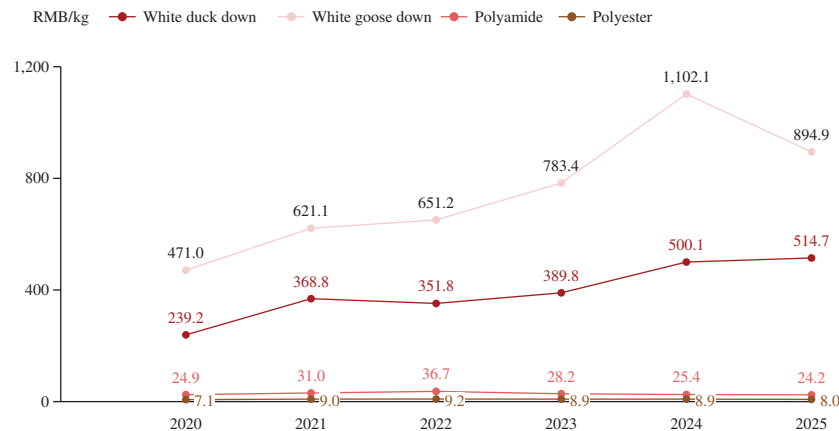
- *Technology and digital intelligence barriers:* Due to the higher requirement on the functionality, durability and comfort of professional outdoor apparel to fit the complex and changeable outdoor wearing scenarios, leading brands process technology and R&D expertise in filling material processing, fabric technologies, specialized functions and production techniques to deliver promising products. Leading brands also leverage digital platforms like smart factories and automated logistic warehouses to enhance efficiency and value creation.
- *Product strength:* The expanding consumer base for professional outdoor apparel cause the diverse needs in various dressing scenarios, from functional and durable needs for outdoor adventures to aesthetic appeal for urban commuting and comfort features for leisure activities, while consumers prefer “value for money” products with high quality and lower prices. Leading brands who understand the evolution of market demands leverage the design and large-scale production capabilities to launch products covering multiple consumer groups, and supply high quality apparels with affordable price to secure the market dominant position.
- *Brand recognition:* Leading brands establish strong brand recognition and reputation through significant investments in celebrity endorsements, fashion exhibitions, sports marketing and international certifications that show a professional brand image while focus on maintaining product quality and consumer services to keep consumer loyalty and trust. It is though for new entrants to quickly gain brand acceptance and reputation for consumers in a short time.
- *Supply chain capability:* Leading brands invest across the supply chain from procurement, design, production, to logistics, distribution, and sales to build competitive advantages and barriers. They source premium down globally and partner with technical fabric suppliers for stable, high-quality, cost-effective materials. With in-house design teams and advanced production lines, they improve quality control and efficiency while reducing costs. Flexible manufacturing enables quick response to market trends. Strong distribution networks and multichannel deployment further secure their position. New entrants may struggle with scale, quality control and cost efficiency, limiting their competitiveness.

COST ANALYSIS

Raw material cost is one of the major costs of China’s professional outdoor apparel industry, with polyamide, polyester, goose down, and duck down as the main raw materials. In general, the prices of major raw materials in China’s professional outdoor apparel industry decreased from 2019 to 2020 due to COVID-19, and then recovered from 2020 to 2021. From 2021 to 2025, the price of polyamide showed a slight decrease from RMB31.0 per kilogram to RMB24.2 per kilogram, mainly due to a drop in upstream caprolactam price and slower market demand growth relative to the pace of capacity expansion. With the optimization of product structure and the elimination of less efficient production capacity, polyamide prices are expected to stabilize at around RMB25-30 per kilogram. The price of polyester remained relatively stable, supported by a balanced supply and demand, and is expected to stabilize around RMB9.0 per kilogram. During the same period, according to China Feather and Down Industrial Association, the price of white goose down further increased from RMB621.1 per kilogram to RMB1,102.1 per kilogram in 2024, and decreased to RMB894.9 in 2025. White goose down prices reached a peak in 2024 following a surge in premium product upgrades and robust sales triggered by the cold waves in 2023. By 2025, the white goose down price underwent a rational correction to normal level. The price of white duck down increased from RMB368.8 per kilogram to RMB514.7 per kilogram. These general upward trends of white goose down and white duck down were driven by factors such as decrease in population of ducks and geese, upgrades in down quality standards, and increase in market demand caused by factors such as the booming winter tourism and temperature drops. Over the next five years, the prices of white goose down and white duck down are expected to decline slightly and remain stable as demand and supply stabilize. White goose down is projected to stabilise around RMB800-1,000 per kilogram, while white duck down is expected to stabilise around RMB400-500 per kilogram.

INDUSTRY OVERVIEW

Price of major raw materials in China, 2020-2025



Sources: China Feather and Down Industrial Association, Expert interviews, CIC

SOURCES OF THE INDUSTRY INFORMATION

We engaged CIC, an independent market research consultant, to conduct an analysis of, and to prepare a report on, the professional outdoor apparel market in China for use in this document, which was commissioned by us for a fee of RMB996,400. CIC prepared its report based on data released by government institutions and non-government organizations and its primary and secondary research. CIC conducted both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analysing data from various publicly available data sources, such as the National Bureau of Statistics of China, and the General Administration of Sport of China.

Forecasts and assumptions included in the CIC Report are inherently uncertain because of events or combinations of events that cannot be reasonably foreseen, including, without limitation, the actions of governments, consumers, competitors and other third parties. Specific factors that could cause actual results to differ materially include, among other things, risks inherent in the professional outdoor apparel market, social and economic factors, supply risks, regulatory risks and environmental concerns, labour risks, financing risks, force majeure or unforeseen events. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the CIC Report. Our Directors confirm that, after taking reasonable care, there is no material adverse change in the overall market information since the date of the CIC Report that would materially qualify, contradict or have an impact on such information.